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REF # 5247-78/1

THE DIRECTOR OF CENTRAL INTELLIGENCE

OLC #78-3505

WASHINGTON, D.C. 20505

14 DEC 1978

Deputy Director for National Foreign Assessment

DCI

MEMORANDUM FOR: Director of Central Intelligence
FROM : Deputy Director for National Foreign
Assessment
SUBJECT : Worldwide Congressional Briefing
REFERENCE : Your Memo of 21 November 1978

1. I propose that the worldwide briefing of Congressional Committees this year cover seven major topics as described in the attached outlines. Events may require that additional topics be added and, in any case, coverage will be available as backup. A list of candidates for this category is also attached. [redacted]

2. Assuming continued progress on SALT, it may be difficult to avoid getting bogged down in questions about monitoring capabilities. We should try to make it clear to the committees ahead of time that this is a complex subject deserving of separate treatment. [redacted]

3. Work has already begun on several sections of the briefing, but it would be helpful to have your reaction to the outlines and the list of backup topics. I propose to get you a draft of the total package shortly after our return from the Far East. The briefings presumably will again be held in late January-early February. [redacted]

4. I have asked [redacted] of the Congressional Support Staff to handle overall preparation of the briefing. [redacted]

[redacted]
Robert R. Bowie

Attachments: a/s

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Distribution:

Orig - DCI
1 - DDCI
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NFAC/CSS/ [REDACTED] (14 December 1978)

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

SP - 310/78
8 December 1978

MEMORANDUM FOR: Chief, Congressional Support Staff

FROM: National Intelligence Officer for Strategic Programs

SUBJECT: DCI's Congressional Worldwide Briefing

1. Reference is made to your memorandum dated 27 November 1978 to all National Intelligence Officers containing guidance for preparation of the DCI's Congressional worldwide briefing.

2. We are now preparing the portion of the DCI's briefing covering the strategic balance as called for in your memorandum. Our approach is as follows:

a. In coverage and level of detail we are following last year's DCI briefing on the strategic balance.

b. The content of the briefing is being drawn from the draft of the Executive Summary of NIE 11-3/8-78 which the DCI has reviewed and approved.

c. The DCI's Congressional briefings in the past have contained more details about force developments than carried in the draft Executive Summary of this year's NIE. Material for this portion of the briefing, highly condensed, will be drawn from the draft of Volume 1 of NIE 11-3/8-78.



Howard Stoltz, Jr.

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Acting NIO/CF
11 Dec 1978

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DCI's Congressional Worldwide Briefing: Schematic Outline

Balance of Theater Forces

Understanding the "Balance" has to Begin With Definitions

- Geographic area: where does Europe stop?
 - In the East, at the Soviet border or Urals?
 - In the West, with the UK or the Rockies?
 - To reduce this complex issue to manageable proportions:
 - We tend to examine regions or theaters (Central Region, Northern Flank, Southern Flank, North Atlantic),
 - We also consider the balance at different periods of time after mobilization.
- Measures of the balance: there are a multitude, and the balance cannot be reduced to a single ratio or index number.
 - Common measures: "bean counts," that is, new and major items of equipment (tanks, artillery pieces, etc.).
 - Qualitative aspects have to be measured too.

Presentation of Force Comparison by Region

This segment will make use of material from updated, briefing material prepared for the President's summit briefing last year and proposed meeting with Aspin. The latter is in a notebook which the Director has in his possession. It will consist primarily of a map and accompanying table of manpower and equipment for each region or theater (sample attached) with accompanying text.

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- Central Europe (NATO Guidelines Area plus Western MDs)
- Northern Flank
- Southern Flank
- North Atlantic
- Reserves in interior MDs of the USSR
- Forces opposite China

Trends

Foregoing represents a snapshot of the "balance." Of greater interest are trends in manpower growth and equipment holdings which show where we and they have been and are going (sample attached).

- Trend charts of manpower and major items of equipment, accompanied by explanatory text.

Qualitative Measures

"Bean counts" are only part of the story; qualitative measures are important too. (Graphics showing trends in force capability such as range and payload capability of Pact aircraft, ~~Soviet~~ measures of equipment effectiveness as shown in briefing books, as shown in sample.)

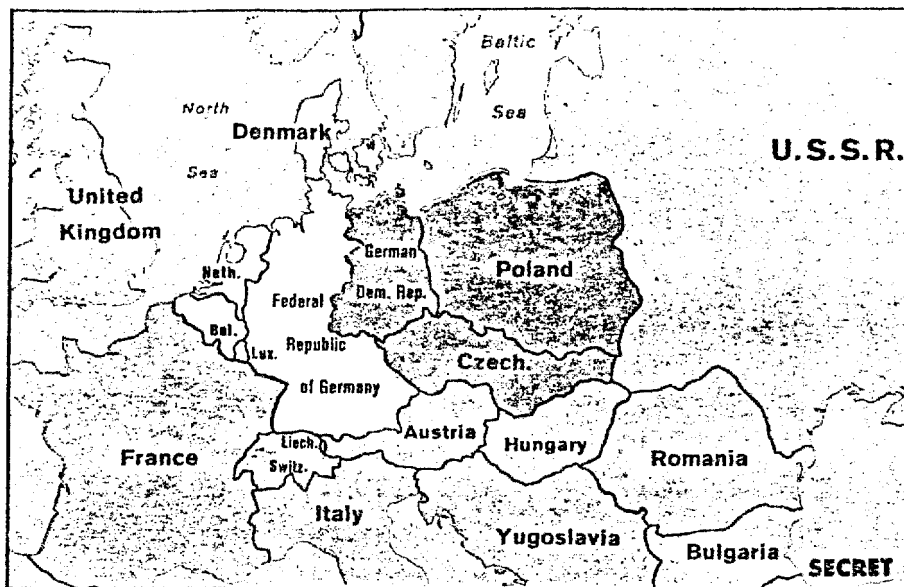
Summation

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Forces in Central Europe



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NATO

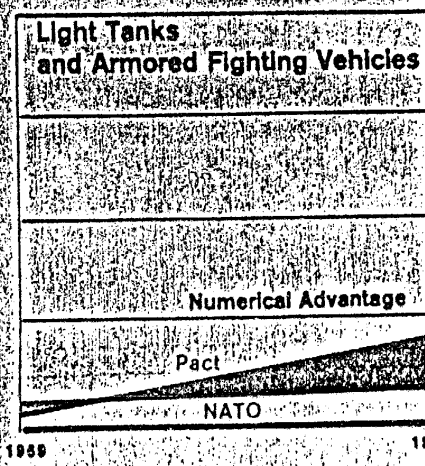
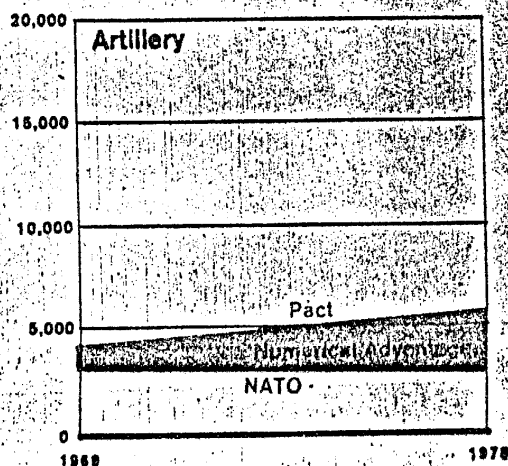
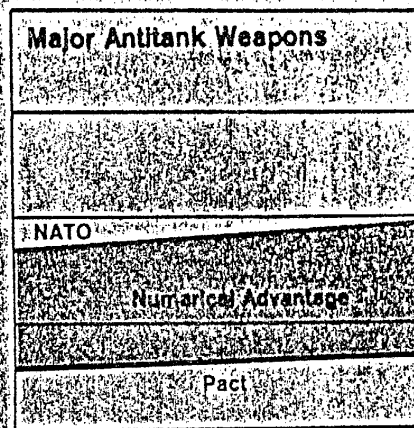
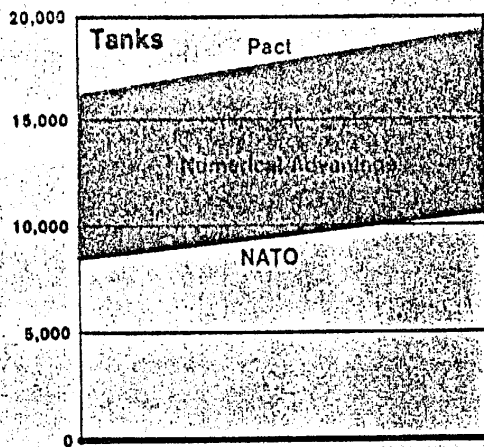
FRANCE	DENMARK	CANADA	BELGIUM	NETH.	UK	FRG	US	TOTAL	
53,000	29,000	5,000	83,000	83,000	71,000	437,000	238,000	1,000,000	MEN
3/0	1/2	0/1	2/1	2/0	4/1	12/6	4/5	28/16	DIV/BDE
480	270	40	420	950	590	3,800	4,320	10,870	TANKS
140	390	20	180	500	190	1,370	520	3,310	ARTILLERY
220	4,320	60	260	380	170	2,070	2,370	9,850	ANTITANK WPNS
210	90	40	290	220	150	2,490	720	4,210	AIR DEF WPNS
0	90	60	150	160	150	710	300	1,620	AIRCRAFT

WARSAW PACT

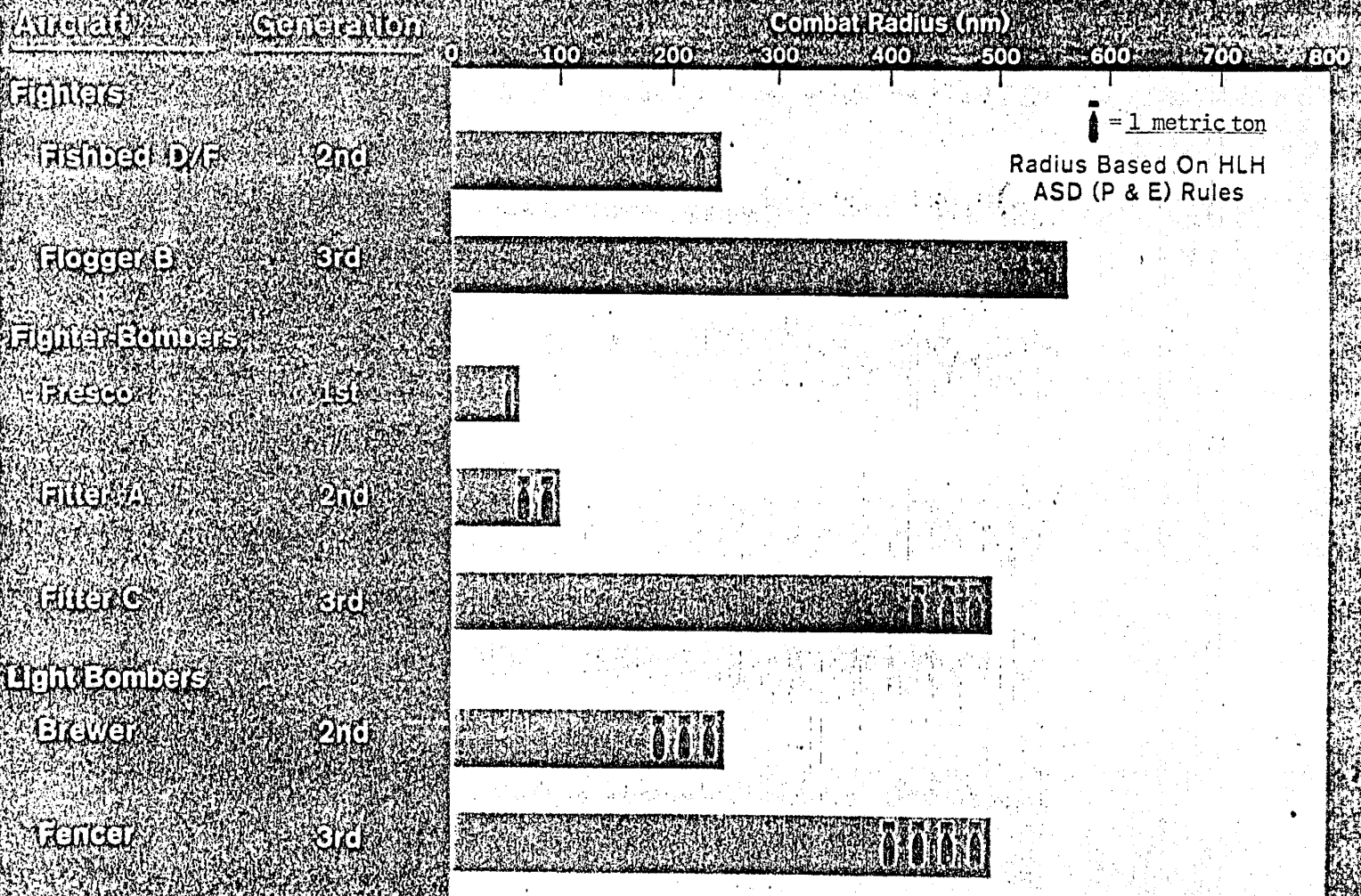
CZECHOSLOVAKIA	POLAND	E. GERMANY	USSR	TOTAL	
206,000	323,000	144,000	520,000	1,193,000	MEN
10/0	15/0	6/0	27/0	58/0	DIV/BDE
3,340	3,300	3,040	9,570	19,250	TANKS
890	1,160	710	3,270	6,030	ARTILLERY
680	980	340	1,620	3,620	ANTITANK WPNS
970	1,090	560	2,390	5,010	AIR DEF WPNS
570	810	320	1,190	2,890	AIRCRAFT

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NATO/Warsaw Pact Ground Forces in Central Europe, 1969-78



Pact Aircraft Range/Payload Improvement



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Prospects for the USSR

I. Introduction

As Brezhnev era nears its end, the Soviet Union faces prospects that are highly varied and uneven, in context of greater than usual uncertainties.

A. Growth of Soviet military power the most enduring and successful accomplishment of this regime. In next few years, particularly in strategic arena, Soviet position in military balance of forces will generally be perceived as better than ever before. But outlook beyond the mid-1980s much more uncertain.

B. Largely on strength of USSR's military accomplishments, Brezhnev era has seen USSR emerge as truly global power. Interests, prestige, and credibility of USSR now more broadly engaged, and both self-image of Soviet leaders and foreign perceptions and expectations regarding Soviet international behavior have developed accordingly.

C. Yet concrete results mixed. Along with important successes, which have established USSR as major actor in regions formerly denied them, major setbacks. Hallmark of this leadership has been perseverance and determination to make weight of the USSR's influence increasingly felt in world, willingness to accept local failures as inevitable price of progressively more forward position in world. Predisposition of the Soviet leadership to seize fresh external opportunities strong, undiminished by uneven successes.

While we expect this broadly assertive Soviet external posture to persist in the years ahead, there are important large uncertainties and potentially constraining trends which must temper Soviet optimism about their prospects in 1980s.

These include:

- Economic pressures
- Leadership succession
- China and its growing partnership with the West
- Uncertainties about the future course of Soviet relations with the West

II. Soviet Union entering a transitional period of increasing internal strain and uncertainty

A. Converging economic pressures

- harsh demographic trends
- return on capital investment dropping
- rate of growth of industrial production dropping
- undiminished construction backlog
- agriculture still highly variable and chancy

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- oil picture as increasingly grim
- rate of growth of total GNP will henceforth be depressed below rate at which military spending has grown in last decade.
- If military spending is to go on growing at same rate, this therefore likely to cause Soviets economic pain of kind they have not had to bear in the past.

B. Generational change in the leadership is approaching

- Brezhnev's infirmities grave, he unlikely to last beyond next few years
- Kirilenko older, obviously only interim successor
- No obvious successor beyond Kirilenko
- Chernenko lacks strong organizational base, himself 67 years old
- Government leadership likely to be revamped in next few years along with party leadership. First Deputy Premier Mazurov has already been dropped, leaving key vacancy, and Premier Kosygin also in 70s.
- Successors to Kosygin and Brezhnev will have to grapple with growing economic headaches mentioned, as well as ongoing external problems -- especially with US and China.

III. Impact of these internal developments on foreign policy will be diverse

A. We see serious consequences for Eastern Europe over next decade.

- Because of Soviet oil problem, oil shipments to East Europe may not only not increase, but are actually likely to go down after 1980. Some such reduction could begin as early as this year (1979).
- Major effect on East Europe's economic growth. They will not have hard currency to make up the energy difference in direct purchases themselves. Could well mean serious political trouble for the Soviets in East Europe over next ten years.
- Soviets will probably play this by ear, and adjust export policy to East Europe somewhat if they run into grave political consequences.

B. Some Soviets also seem to be anticipating necessity of some reduction in Soviet oil sales to the West over next few years. This will ultimately mean cut in Soviet hard currency earnings -- which in turn likely to have continuing impact on the quantities of grain and technology the USSR can import.

C. Some impact already on their trade, with the West.

- 1979 plan envisions a third consecutive year of slowed trade growth.

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- This partly reflects measures since 1977 to reduce hard currency payments deficit, partly also unresolved difficulties in absorbing Western machinery and equipment already purchased.
- But we believe it also reflects recognition by Soviet leadership that oil exports to the West may have to be cut, and that earnings will therefore decline.

IV. Harder to visualize effect upon political and strategic posture of a new Soviet leadership toward West and Third World.

A. Despite fact that Soviet military expenditures likely to be perceived as increasingly onerous burden, Soviets have viewed their steady improvement of relative military position vis-a-vis US over last decade as vital factor in the strengthening of Soviet geopolitical position in the world. It will be politically difficult for a post-Brezhnev leadership to challenge ongoing military programs to make significant resource transfers from the military sector.

B. At same time, despite friction with US over Soviet involvement in Third World in recent years, Soviets regard this as area in which they have made significant gains at expense of Western influence. Moreover, they believe objective circumstances in certain areas may lead to more such gains in next few years -- e.g., in southern Africa and Iran. New Soviet thirst for external sources of oil procurable without paying hard currency could be additional factor impelling Soviets toward continued involvement in third world and friction with US.

C. Further complicating picture for Soviets is concern over mushrooming of Chinese relations with capitalist industrial powers, prospect of Chinese arms technology purchases from the West, and closer Chinese dealings with Yugoslavia and Romania.

D. In sum, three dynamic trends interacting:

- Soviets want to preserve sufficiently good relations with West and US to maintain momentum of arms control negotiations as well as the transfer of Western technology so far as may be possible within tightening economic constraints they now increasingly foresee.
- They unwilling to pay any political price for the maintenance of such relations in terms of reducing activities in the Third World harmful to the interests of the West.
- On the other hand, they also see the West as unwilling on its part to constrain the expansion of its dealings with China which the Soviets see as harmful to their interests.

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- I. Background: Sino-Soviet relations are at a very low point.
1. The two countries maintain correct but distinctly cool relations. They are at loggerheads over conflicting territorial claims. The Chinese believe the Soviets are trying to "encircle" China militarily and politically.
 2. The Soviets continue to upgrade the capabilities of their 43 divisions bordering China. Peking has embarked on a major, long-term military modernization program to improve its ability to thwart a conventional Soviet assault and to deliver a modest strategic strike.
 3. There is some activity in the economic sphere. The Chinese exchange consumer goods for some kinds of heavy Soviet machinery and trade may increase slightly but at rate slower than China's trade with the West and Japan.
- II. The key question in Sino-Soviet relations is whether there are trends toward increased hostility or toward amelioration of the hostility:
1. Politically, the Chinese will, of course, watch for positive signals after Brezhnev dies, much as the Soviet watched after Mao died. The prospects for

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significant improvement seem poor, however, Peking continues to demand reductions of Soviet forces along the border and in Mongolia, followed by territorial concessions that few Soviet leaders would be prepared to propose and which some Soviet power-holders would actively resist. The Chinese believe the Soviets are increasing their influence in the international sphere, in order to be in position to press their views on the US and China.

- a. Concerned above all with survival and modernization, the Chinese continue to oppose and undermine Soviet interests abroad.
- b. They realize western political support for China is closely linked to their anti-Soviet posture.
- c. They are also painfully aware of the relatively inexpensive gains the Soviets have recently made in Indochina as a result of the Vietnam-Kampuchea conflict. Peking has a long-term and vital interest in isolating Soviet influence there without resorting to risky military confrontation. This situation is of deep concern to China. China's position is reactive and cautious but they cannot see a client state (Cambodia) go down the tube.

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2. Militarily, the Chinese have a stake in a moderate level of tension in Sino-Soviet relations.
 - a. If Peking accommodates Soviet interests, the incentive for western governments to approve arms and technology sales to China decreases.
 - b. If, however, the Chinese radically increase tensions, western governments might become jittery and balk at helping.
3. Economically, too, the trend is for China to continue to move away from the USSR.
 - a. The technology, credits, and markets China now seeks are not in the Soviet bloc, but in the west.
 - b. The long-term arrangements being made for trade agreements and science and technology exchanges suggest that for at least 5-10 years, the Chinese will put their eggs in the western basket.
 - c. Japan in particular appears to be profiting from China's economic outreach.
 - d. This situation inhibits the cultivation of Soviet influence among Chinese economic interest groups and fosters links with the West.

III. As for amelioration, China will seek to avoid direct military confrontation with the USSR. It will strive to maintain correct relations in diplomacy and trade with

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the USSR and will continue to reach agreements on minor matters such as navigation of rivers and exchanges of prisoners. Similarly, trade may expand and some form of cultural exchange could occur.

IV. The outlook, however, is for continued, unimproved relations between Moscow and Peking.

a. The prospect of an increasingly powerful and wealthy China might send shudders through Moscow that could lead to a confrontation.

b. The Chinese, however, have demonstrated in the past the diplomatic skill needed to modulate bilateral relations with the Soviets and they may succeed in keeping the USSR off balance, thus buying time to continue modernizing.

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III. Internal Prospects. Events in Iran and the Baghdad Summit will make many regimes nervous and probably encourage dissidence.

- A. The monarchies, particularly the oil-rich variety are unsettled by the events in Iran. Not only do they view these events in a mirror-image way, they also see the regional fireman role of Iran disappearing.
- B. At Baghdad a new nationalist language emerged that may well give heart to internal dissidence.

IV. Relations Among the Key Countries. The potential isolation of Egypt, Arabism led by an Iraqi-Syrian axis and the reduction of the clout of the moderates will mark the coming year.

- A. If Egypt signs a treaty with Israel without fairly convincing linkage language, the most powerful and important Arab moderate state will have opted itself out of the Arab camp.
- B. Whether it is tactical or real, the Iraqi-Syrian axis -- in the absence of Egypt -- becomes the most important political factor in the Arab World.
- C. Nervous and disorganized and without Egypt, the moderate camp will lose its clout in the Arab World, unless the Saudis show more determination than they have.



Robert C. Ames

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NTAC# 5425-78

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

4 December 1978

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MEMORANDUM FOR:
Chief, Congressional Support Staff

VIA : Director, National Foreign Assessment Center

FROM : National Intelligence Officer for the
Near East and South Asia

SUBJECT : Outline for Middle East Section of Congressional Worldwide
Briefing

REFERENCE : CSS Memo of 27 November 1978

(Stability in the Middle East)

- I. Two events have changed the outlook for stability in the Middle East:
Camp David and the Baghdad Summit.
 - A. Camp David holds the prospect of peace and the prospect for the radicalization of the area. Sadat's ability to get concessions that will satisfy the moderates will determine which path events take.
 - B. The Baghdad Summit was a victory for the radicals. Syria and Iraq, the Summit designers, sought to isolate Sadat, condemn Camp David, and get the moderates on board. The fact that they were highly successful does not bode well for moderation.
- II. The Arms Balance. Whether the Egyptians are still in the Arab equation or not, the Israelis will still have an overwhelming advantage.
 - A. Israel will retain its overall advantage to defeat any combination of Arab forces decisively. The 1973 experience will encourage them to think preemption. The cost of war will be greater in terms of personnel losses, economic dislocation and negative international reaction.

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28 November 1978

DCI "Worldwide" Briefing Outline

- I. Southern Africa - Situation has continued to deteriorate in a number of ways despite strenuous policy efforts
 - A. Rhodesia - General situation familiar; focus of intelligence has been on three aspects:
 - 1. Military capabilities of guerrilla liberation forces
 - 2. Developing weaknesses and residual capabilities of Rhodesian regime
 - 3. Soviet/Cuban involvements
 - B. But we also are watching, and concerned, over other aspects, especially the continued dominance of security problems in the thinking of local leaders
 - 1. Zambia - internal breakdowns; economic disasters
 - 2. Angola - internal problems of MPLA as well as UNITA situation
 - 3. Namibia - SWAPO capabilities; South African resistance
 - 4. Soviet/Cuban relationships - where do they stand with the region generally
- II. South Africa - still the great cloud over the future
 - A. No movement visible yet toward any real power-sharing with non-white communities; remind what basic demographic situation is
 - B. Some very small signs of recognition that racist attitudes are the core of the problem with non-white communities

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- C. Capabilities of black nationalist resistance still developing - where this stands
 - D. Soviet/Cuban role and involvement
 - E. Western European role and involvement
- III. The "real" revolution elsewhere - at the moment - in the Horn
- A. Revolutionary commitment of Ethiopian regime to
 - 1. Unity of Ethiopia
 - 2. Socialist society, as locally interpreted
 - B. Relationship with Soviets/Cubans
 - 1. Military forces and support
 - 2. Base facilities - present and potential
 - C. Role of Somalis - refuse to give up on Ogaden insurgency
- IV. Continent in turmoil - some signs that relative equilibrium and attachment to certain international values - e.g., integrity of boundaries inherited from colonial powers - could be eroding. Spells turbulence internally and frustration internationally.

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7 December 1978

VII. The International Energy Outlook

This presentation would first provide a brief review of the current situation in the world oil market, with special emphasis (if necessary) on the impact caused by the disruption of Iranian oil exports. The bulk of this briefing would address the outlook for the world oil market through 1985. In this longer-term view, we would concentrate on the production prospects of the major OPEC nations.

A. The Current Situation

1. Impact of Iranian supply disruptions
 - a. Nature and extent
 - b. Response of other major producers, especially Saudi Arabia
 - c. Changes in world oil stocks and influence on prices
 - d. Responses of major consumers OECD/IEA, Soviets.
2. Dynamics of OPEC decision-making on oil prices

B. The Outlook Through 1985

1. Factors influencing output by the major overseas producers
 - a. OPEC (Saudi Arabia would receive most attention)
 1. Technical considerations
 2. Resource conservation
 3. Spending plans
 4. Political dimension
 - b. Non-OPEC Free World suppliers (Mexico, Canada, and the North Sea producers will receive emphasis)
 1. Resource conservation policies
 2. Political and economic tradeoffs

- c. Communist countries
 - 1. Importance of western technology to production growth
 - 2. Political and economic tradeoffs.
- 2. Factors influencing oil demand, especially in developed countries
 - a. Lower economic growth outlook
 - b. Energy conservation efforts and possible savings
 - c. Growth in availability of energy sources
 - 1. Coal
 - 2. Natural Gas
 - 3. Nuclear
 - 4. Other
- 3. Possible supply/demand scenarios and their likely price implications.

Proposed Backup Subjects

SALT Monitoring

Telemetry

The Prospects for Eastern Europe--Internal and relations with the USSR.

Western Europe--The prospect for unity; some national political problems.

Greece-Turkey-Cyprus

Chinese Political Situation

Prospects for the Key Developing Countries--Series of brief items on Brazil, Mexico, Venezuela, Nigeria, Iran, Saudi Arabia, India, Indonesia.

Nuclear Proliferation--Programs and prospects for the top half-dozen candidates.

Korea--The military balance; longer term strategies and prospects.

Arms Transfers--US-Soviet comparison; the prospect for negotiated restraint.

Cuba--Foreign policy; military hardware acquisition.

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Executive Registry
78-6776

NEAC # 5247-78

21 November 1978

MEMORANDUM FOR: Deputy Director for National Foreign Assessment

FROM: Director of Central Intelligence

SUBJECT: Annual Worldwide Wrap-up Briefing for Congress

1. In view of your and my impending trip to the Far East at the end of December and through 12 January, I'd like to suggest that we get started now on the annual worldwide wrap-up briefing for the Congress. I'm still uneasy about the one we gave last year because we didn't have enough time to review it.

*usually
in Jan.*

2. This year the overview of the strategic balance is going to be more important than ever in view of the probable SALT ratification process. At the same time, I would be reluctant this year to devote such a high percentage of the time to the strategic military picture. Even beyond adding in the conventional military balance in Europe, I think the worldwide briefing should cover overall political trends and a few of the key trouble spots. It will be difficult and take a lot of discipline to squeeze all of this in, but first we need to develop our approach to each of the problems.

a. Specifically, I was not satisfied last year with the conventional military balance presentation. We have done some very good work since then, especially the notebook of comparisons prepared for the NATO summit. I'm hoping we're going even further into NIE 11-3/8-type qualitative and quantitative comparisons. This one will take a lot of work.

b. Similarly, rather than just review the factual situation in Iran, Rhodesia, etc., I wonder if we shouldn't pick out some of the major trends and highlight them, e.g., the Chinese/Soviet rivalry around Indochina; the Soviet economy; the world energy outlook; the overall deterioration in Southern Africa; and the net change in Ethiopia.

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